

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

PM-03 SP-02 L-01 PRS-01 ACDA-10 OMB-01 AF-04 TRSE-00

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 8645

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 6589

LIMDIS

E.O. 11652: XGDS-3

TAGS: PFOR, PGOV, PO

SUBJECT: CDS PRESIDENT ON UNSTABLE ASPECTS OF
POLITICAL SCENE

SUMMARY: IN MEETING SEPTEMBER 24 CDS PRESIDENT FREITAS
DO AMARAL GAVE ME A LENGTHY AND SOMEWHAT PESSIMISTIC
ANALYSIS OF CURRENT POLITICAL SCENE. THE PS ABILITY
TO GOVERN EFFECTIVELY WAS HAMPERED BY INTERNAL STRUGGLES,
THE PPD DID NOT KNOW HOW TO CONDUCT ITSELF AS AN
OPPOSITION, THE CDS WAS UNDER PRESSURE FROM THE FAR
RIGHT, AND THE COMMUNISTS WOULD EVENTUALLY MOVE TOWARDS
EURO-COMMUNISM WITHOUT CHANGING THEIR CURRENT LEADER-
SHIP. THE FAR RIGHT WAS NO LONGER AFRAID AND WAS
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BECOMING MORE ACTIVE. TALK ABOUT A NEW MILITARY

GOVERNMENT WAS WIDESPREAD. ON THE OTHER SIDE, COSTA GOMES AND VASCO GONCALVES WERE PLOTTING WITH THE COMMUNISTS, AND MELO ANTUNES IS PLAYING HIS OWN UN-HELPFUL GAME. EANES HAS NOT CONSOLIDATED HIS POSITION WITHIN THE MILITARY ALTHOUGH HE HAD MADE SOME PROGRESS. SOCIALIST PROSPECTS FOR DEALING EFFECTIVELY WITH THE SERIOUS ECONOMIC SITUATION WERE DIM. IN SUM, PORTUGAL WAS IN FOR A CONTINUED PERIOD OF POLITICAL INSTABILITY, ALTHOUGH FREITAS DO AMARAL STRESSED THAT HE HAD PURPOSELY FOCUSED ON THE UNSTABLE ELEMENTS IN HIS ANALYSIS. HE HIMSELF SHOWED NO SIGNS OF GIVING UP THE STRUGGLE. END SUMMARY

1. THE POLITICAL PARTIES: FREITAS DO AMARAL LED OFF HIS ANALYSIS WITH SOME OBSERVATIONS ON THE PORTUGUESE COMMUNIST PARTY. THERE WERE CLEAR DIVISIONS WITHIN THE PARTY, HE SAID, BUT HE DID NOT THINK THE PRESENT LEADERSHIP WOULD BE OVERTHROWN. INSTEAD HE THOUGHT THE PCP WOULD GRADUALLY MODERATE ITS POSITION AND MOVE TOWARD EURO-COMMUNISM. HE ASSESSED THIS AS A FAR MORE DANGEROUS THREAT THAN PRESENT STALINIST LINE. THE PS, HE NOTED, WAS STILL DIVIDED. WHILE HE DID NOT EXPECT AN OPEN SPLIT JUST YET, THESE DIVISIONS MADE IT DIFFICULT FOR THE SOCIALISTS TO GOVERN EFFECTIVELY. THE PPD HAD NEVER BEFORE BEEN IN OPPOSITION AND DID NOT KNOW HOW TO CONDUCT ITSELF. IT WAS ALSO FACED WITH AN INTERNAL DEBATE ON WHETHER TO TRY TO FORM A NEW PARTY WITH THE SOCIALISTS'S MODERATE WING, OR CONTINUE ON AN INDEPENDENT COURSE.

2. AS FOR THE CDS, FREITAS DO AMARAL SAID, IT TOO WAS FACED WITH SERIOUS PROBLEMS. FAR RIGHT PRESSURE ON THE CDS LEADERSHIP HAD GREATLY INCREASED IN RECENT WEEKS, AND WAS REFLECTED IN THE FAR RIGHT NEWSPAPER "A RUA." THIS PRESSURE WAS DIRECTED AT FORCING THE CDS TO "CONDITION" ITS SUPPORT OF DEMOCRACY. FREITAS DO AMARAL SAID THAT HE PERSONALLY WOULD NEVER ALLOW ANY ADJECTIVES TO BE PLACED BEFORE THE WORD DEMOCRACY. HE HAD CONSISTENTLY RESISTED THE FAR RIGHT TO THE POINT OF REFUSING TO TALK TO KAULZA DE ARRIAGA. IT WAS CONFIDENTIAL

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IMPORTANT TO NOTE, HOWEVER, THAT THE RIGHT WAS "NO LONGER AFRAID IN PORTUGAL." EVEN SPINOLA WAS AGAIN PLOTTING, HE SAID, THROWING HIS HANDS UP IN DESPAIR. SPINOLA HAD AROUND HIM 20 OR SO PEOPLE WHO WERE URGING HIM TO TRY ANOTHER MARCH 11 TYPE OF OPERATION.

3. THE MILITARY: FREITAS DO AMARAL SAW EQUALLY DISTURBING SIGNS WITHIN THE MILITARY. A FAR RIGHT

HAD CRYSTALIZED WITHIN GOVERNMENT CIRCLES CONSISTING OF THE AIR FORCE, THE COMMANDOS, AND THE NORTHERN REGION (READ PIRES VELOSO). THIS ALLIANCE WAS NOW EXERTING CONSIDERABLE PRESSURE ON THE PRESIDENT. ON THE OTHER SIDE, THE FAR LEFT MILITARY WAS AGAIN ACTIVE. COSTA GOMES HAD BEEN HOLDING A SERIES OF MEETINGS WITH THE PCP AND UDP DURING HIS "SUMMER VACATION AT FORT SAO JULIAO" (THE PRESIDENT'S OFFICIAL RESIDENCE, WHERE COSTA GOMES CONTINUED TO RESIDE AFTER LEAVING OFFICE). INCLUDED IN THE MEETINGS HAS BEEN VASCO GONCALVES. NOT DIRECTLY LINKED, BUT CERTAINLY ON THE LEFT SIDE OF THE SPECTRUM, WERE THE MELO ANTUNES FORCES. MELO ANTUNES PURPOSELY KEPT HIMSELF BEHIND THE SCENES. HIS PROPOSALS WERE NOW BEING PRESENTED AT THE REVOLUTIONARY COUNCIL THROUGH VITOR CRESPO.

4. ALL OF THESE FORCES POSED A CONSIDERABLE DANGER FOR PORTUGAL'S FLEDGLING DEMOCRACY. THE FAR RIGHT WAS OPENLY TALKING ABOUT A COUP, THE TIMING OF WHICH WOULD DEPEND UPON THE COUNTRY'S FOREIGN EXCHANGE RESERVES. THE SOCIALISTS WOULD BE GIVEN A LITTLE MORE TIME, BUT THE PLOTTERS FELT THEY COULD NOT WAIT UNTIL THE RESERVES WERE DOWN TO LESS THAN EIGHT MONTHS SINCE THIS WOULD THEN PLACE THE SUCCEEDING MILITARY GOVERNMENT IN AN IMPOSSIBLE ECONOMIC SITUATION. FREITAS DO AMARAL DID NOT SEEM TO CONSIDER A COUP IMMINENT, BUT CITED THE GROWING COUP TALK AS AN EXAMPLE OF THE INCREASING TEMERITY OF THE FAR RIGHT.

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C O N F I D E N T I A L SECTION 2 OF 2 LISBON 6589

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5. FREITAS DO AMARAL SAID HE HAD EXPRESSED HIS CONCERN OVER MILITARY UNREST IN VERY FORCEFUL TERMS TO PRESIDENT EANES. THE LATTER HAD RESPONDED THAT THERE WERE DIFFERENCES IN THE REVOLUTIONARY COUNCIL, BUT THE MILITARY ESTABLISHMENT IN GENERAL WAS UNITED. FREITAS DO AMARAL CHARACTERIZED THIS AS TOTALLY UNREALISTIC SINCE THE DIFFERENCES IN THE REVOLUTIONARY COUNCIL WERE EXTREME (HE HAD ONE REPORT THAT A REVOLUTIONARY COUNCIL MEMBER HAD OPENLY ACCUSED EANES OF BEING BEHIND THE TERRORIST BOMBINGS AT A REVOLUTIONARY COUNCIL MEETING) AND WERE OBVIOUSLY COMMUNICATED DOWN THROUGH THE ARMED FORCES. EANES' WIFE HAD TOLD THE CDS THAT EANES HIMSELF WAS TIRED AND FRUSTRATED. FREITAS DO AMARAL THOUGHT EANES HAD MADE PROGRESS
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BUT WOULD HAVE TO BECOME MORE ACTIVE IF HE IS TO GAIN CONTROL OF MATTERS.

6. THE BOMBINGS: FREITAS DO AMARAL SAID THE INVESTIGATION INTO TERRORIST BOMBINGS WAS ENTIRELY POLITICALLY MOTIVATED. THE REAL TARGET WAS NOT THE BOMBERS, BUT TO IMPLICATE KEY POLITICAL FIGURES IN THE WAVE OF ANTI-COMMUNIST VIOLENCE LAST SUMMER. BOTH EANES AND PIRES VELOSO WERE AWARE THAT THEY WERE TARGETS AND HAD TAKEN STEPS TO TRY TO PROTECT THEMSELVES.

7. THE AZORES: ANOTHER DISQUIETING FACTOR WAS WHAT SEEMED TO BE A NEW COMMUNIST STRATEGY TOWARDS THE AZORES. THE CDS HAD LEARNED FROM ITS CONTACTS IN THE POLISH EMBASSY IN PARIS THAT THE COMMUNISTS WERE NOW SUPPORTING AZOREAN INDEPENDENCE. THE COMMUNIST GOAL WAS TO PROMOTE DISSENSION BETWEEN THE ISLANDS AND THE MAINLAND, TO EMBARRASS THE U.S. AND TO PIN THE BLAME ON THE CDS, AND POSSIBLY THE PPD. THESE REPORTS

FROM PARIS HAD BEEN CONFIRMED BY CDS SOURCES IN THE AZORES, WHO SAID THAT SEPARATISTS WERE NOW RECEIVING FUNDS FROM THE COMMUNISTS.

8. THE SOCIALIST GOVERNMENT AND THE ECONOMY: FREITAS DO AMARAL CONCLUDED HIS ANALYSIS BY NOTING THAT IT WAS HARDLY NECESSARY TO TALK ABOUT THE ECONOMIC SITUATION. THE COUNTRY WOULD CONTINUE TO BE PLAGUED BY SEVERE ECONOMIC PROBLEMS FOR A LONG TIME TO COME. HE HOPED THE SOCIALISTS COULD DEAL WITH THOSE PROBLEMS BUT HE WAS NOT AT ALL CONFIDENT IN THEIR ABILITY TO DO SO. TALK ABOUT WHAT KIND OF A GOVERNMENT WOULD SUCCEED THE SOCIALISTS HAD ALREADY STARTED BEFORE THE SOCIALISTS TOOK OFFICE, BUT WAS NOW A CONSTANT SUBJECT OF DISCUSSION.

9. COMMENT: THERE IS OBVIOUSLY A CERTAIN SELF-SERVING ELEMENT IN FREITAS DO AMARAL'S ANALYSIS. MOREOVER HE EMPHASIZED THAT HE WAS FOCUSING ON THE PROBLEMS, NOT THE POSITIVE ASPECTS. I WOULD DESCRIBE HIS MOOD AS ONE OF WORRY THAT HAVING COME SO FAR PORTUGUESE DEMOCRACY FOUND ITSELF THREATENED BY THE
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VERY LIBERTIES IT WAS COMMITTED TO PROMOTE. AT NO POINT DID HIS CONCERN APPROACH DESPAIR. NEVERTHELESS THE EQUATION HE PRESENTS -- EVEN DISCOUNTED FOR ITS SELF-SERVING ASPECTS -- IS EVIDENCE THAT THE STRUGGLE IN PORTUGAL IS FAR FROM OVER.
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